



Sen. Kimberly A. Lightford

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09700HB1466sam004

LRB097 06297 AMC 69564 a

1 AMENDMENT TO HOUSE BILL 1466

2 AMENDMENT NO. _____. Amend House Bill 1466, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The School Code is amended by changing Section
6 1B-5 and by adding Section 1B-5.5 as follows:

7 (105 ILCS 5/1B-5) (from Ch. 122, par. 1B-5)

8 Sec. 1B-5. When a petition for emergency financial
9 assistance for a school district is allowed by the State Board
10 under Section 1B-4, the State Superintendent shall within 10
11 days thereafter appoint 3 members to serve at the State
12 Superintendent's pleasure on a Financial Oversight Panel for
13 the district. The State Superintendent shall designate one of
14 the members of the Panel to serve as its Chairman. In the event
15 of vacancy or resignation the State Superintendent shall
16 appoint a successor within 10 days of receiving notice thereof.

1 Members of the Panel shall be selected primarily on the
2 basis of their experience and education in financial
3 management, with consideration given to persons knowledgeable
4 in education finance. A member of the Panel may not be a board
5 member or employee of the district for which the Panel is
6 constituted, nor may a member have a direct financial interest
7 in that district.

8 Annually, a board may petition the State Superintendent for
9 the removal, replacement, or reassignment of any member or
10 members of a Panel. The State Board may vote to either grant or
11 deny the petition based upon the recommendation of the State
12 Superintendent and any other testimony or documentary evidence
13 the State Board deems relevant. If the petition is granted, the
14 State Superintendent shall remove, replace, or reassign the
15 Panel member within 60 days.

16 Panel members shall serve without compensation, but may be
17 reimbursed for travel and other necessary expenses incurred in
18 the performance of their official duties by the State Board.
19 The amount reimbursed Panel members for their expenses shall be
20 charged to the school district as part of any emergency
21 financial assistance and incorporated as a part of the terms
22 and conditions for repayment of such assistance or shall be
23 deducted from the district's general State aid as provided in
24 Section 1B-8.

25 The first meeting of the Panel shall be held at the call of
26 the Chairman. The Panel may elect such other officers as it

1 deems appropriate. The Panel shall prescribe the times and
2 places for its meetings and the manner in which regular and
3 special meetings may be called, and shall comply with the Open
4 Meetings Act.

5 Two members of the Panel shall constitute a quorum, and the
6 affirmative vote of 2 members shall be necessary for any
7 decision or action to be taken by the Panel.

8 The Panel and the State Superintendent shall cooperate with
9 each other in the exercise of their respective powers. The
10 Panel shall report not later than September 1 annually to the
11 State Board and the State Superintendent with respect to its
12 activities and the condition of the school district for the
13 previous fiscal year.

14 Any Financial Oversight Panel established under this
15 Article shall remain in existence for not less than 3 years nor
16 more than 10 years from the date the State Board grants the
17 petition under Section 1B-4. If after 3 years the school
18 district has repaid all of its obligations resulting from
19 emergency State financial assistance provided under this
20 Article and has improved its financial situation, the board of
21 education may, not more frequently than once in any 12 month
22 period, petition the State Board to dissolve the Financial
23 Oversight Panel, terminate the oversight responsibility, and
24 remove the district's certification under Section 1A-8 as a
25 district in financial difficulty. In acting on such a petition
26 the State Board shall give additional weight to the

1 recommendations of the State Superintendent and the Financial
2 Oversight Panel.

3 (Source: P.A. 88-618, eff. 9-9-94.)

4 (105 ILCS 5/1B-5.5 new)

5 Sec. 1B-5.5. Abolition of Panel.

6 (a) Except as provided in subsections (b), (c), and (d) of
7 this Section, a Panel must be abolished 10 years after its
8 creation.

9 (b) The State Board, upon recommendation of the Panel or
10 petition of the board, may abolish a Panel at any time after
11 the Panel has been in existence for 3 years if no obligations
12 of the Panel are outstanding or remain undefeased and upon
13 investigation and finding the following:

14 (1) that none of the factors specified in Section 1A-8
15 of this Code remain applicable to the district; and

16 (2) that there has been substantial achievement of the
17 goals and objectives established pursuant to the financial
18 plan and required under Section 1B-4 of this Code.

19 (c) The Panel of a district that otherwise meets all of the
20 requirements for abolition of a Panel under subsection (b) of
21 this Section, except for the fact that there are outstanding
22 financial obligations of the Panel, may petition the State
23 Board for reinstatement of all of the board's powers and duties
24 assumed by the Panel; and if approved by the State Board, the
25 following shall apply:

1 (1) the Panel shall continue in operation, but its
2 powers and duties are limited to those necessary to manage
3 and administer its outstanding obligations;

4 (2) the board shall once again begin exercising all of
5 the powers and duties otherwise allowed by statute; and

6 (3) the Panel must be abolished as provided in
7 subsection (a) of this Section.

8 (d) If the Panel of a district otherwise meets all of the
9 requirements for abolition of a Panel under subsection (b) of
10 this Section, except for outstanding obligations of the Panel,
11 then the district may petition the State Board for abolition of
12 the Panel if the district does the following:

13 (1) establishes an irrevocable trust fund, the purpose
14 of which is to provide moneys to defease the outstanding
15 obligations of the Panel; and

16 (2) issues funding bonds pursuant to the provisions of
17 Sections 19-8 and 19-9 of this Code.

18 A district with a Panel that falls under this subsection
19 (d) must be abolished as provided in subsection (a) of this
20 Section."